

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7630**

**BILL NUMBER:** SB 490

**NOTE PREPARED:** Feb 25, 2003

**BILL AMENDED:** Feb 24, 2003

**SUBJECT:** Department of Indiana Heritage.

**FIRST AUTHOR:** Sen. Merritt

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill establishes the Department of Indiana Heritage under the direction of a commissioner appointed by the Governor. The bill provides that the Department consists of:

- (1) the Office of the Commissioner;
- (2) the Historic Preservation and Archeology Division (Currently the Division of Historic Preservation and Archeology under the Department of Natural Resources);
- (3) the History Division (combining the current Indiana Historical Bureau from the Indiana Library and Historical Department, the current Indiana Division from the State Library, and the current section of Historic Sites of the Division of State Museums and Historic Sites from the Department of Natural Resources);
- (4) the Public Records Division (currently the Commission on Public Records and the Genealogy Division of the State Library); and
- (5) the Indiana State Museum Division (currently the section of Museums of the Division of State Museums and Historic Sites under the Department of Natural Resources).

The bill renames the Indiana Library and Historical Department as the Indiana Library Department. The bill also renames the Indiana Library and Historical Board as the Indiana Library Board. It also makes conforming amendments.

**Effective Date:** (Amended) January 1, 2004.

**Explanation of State Expenditures:** (Revised) The bill establishes the Department of Indiana Heritage. Seven existing state governmental entities would be transferred and reorganized into four new divisions of the Department. The creation of the Department of Indiana Heritage and the necessary general restructuring

will require additional unknown expenditures. The total cost of public notification, adjustments to publications, signage, office stationery, and various other expenditures is not known. To the extent that the new Department uses existing staff and facilities, the fiscal impact could be reduced. For example, if no additional office space is needed, office space for the proposed department would not result in an increase in the fiscal impact. The impact would depend on the arrangement of the department. The bill does, however, create the Office of the Commissioner. Compensation for the Commissioner would be an estimated \$115,00, including benefits. The Commissioner would also be able to hire staff. Additional new staff would result in additional expense. If the Commissioner used existing staff, there would be no additional impact. It may be possible that expenses could be paid from existing resources. The overall impact is indeterminable at this time.

The table below summarizes the authorized full-time positions, vacancies, and salaries for the agencies that would be placed under the Department of Indiana Heritage by this proposal.

Proposed Division	Existing Full-time Employees	Salaries for Proposed Divisions of the Department of Indiana Heritage
<b>Office of the Commissioner</b>	1 Proposed	<b>\$115,000* NEW</b>
<b>Historic Preservation and Archeology Division</b> (currently the DNR Division of Historic Preservation and Archeology)	17	\$616,297
<b>History Division</b> (combining the current Indiana Historical Bureau from the Indiana Library and Historical Department, the current Indiana Division from the State Library, and the current DNR Historic Sites of the Division of State Museums and Historic Sites)	Historical Bureau -- 9	\$271,286
	Historic Sites -- 32	\$1,286,398
	Indiana Division -- 62	\$2,010,365
<b>Public Records Division</b> (currently the Commission on Public Records and the Genealogy Division of the State Library)	Public Records -- 28	\$803,896
	Genealogy Division -- 5	\$173,316
<b>Indiana State Museum Division</b> (currently the section of Museums of the Division of State Museums and Historic Sites under the Department of Natural Resources)	41	\$1,286,398
Total	190	\$6,562,956

An overview of the proposal follows.

**Office of the Commissioner.** This bill creates the Office of the Commissioner of the Department of Indiana Heritage. The commissioner is entitled to compensation in an amount to be fixed by the Budget Agency with the approval of the Governor. The commissioner may appoint and remove the director of each division of the department; delegate authority to appropriate department staff; create other offices and divisions; and appoint advisory councils to consult and advise on the work of the department and its divisions. Employees of each division, except the director, shall be selected by the director of the division with the approval of the

commissioner and may be removed by the director for cause at any time with the approval of the commissioner. The Budget Agency shall fix the compensation of the director of each division. The director shall fix the compensation of the employees of the division with the approval of the commissioner and the Budget Agency.

Subject to the approval of the Governor, the Commissioner may enter into contracts with the Indiana Historical Society under which the Society agrees to provide the Department with services or access to facilities.

**Indiana Heritage Commission.** This bill established the Indiana Heritage Commission. The commission consists of 18 members. Eight members are state employees. Members who are not state employees are entitled to the minimum salary per diem. All members are entitled to reimbursement for travel, lodging, meals, and other expenses as provided in the state travel policies and procedures established by the Indiana Department of Administration and approved by the Budget Agency. This board replaces the existing Library and Historic Board, which consists of five members. The new commission consists of five additional members who could be entitled to per diem and expenses. These additional staff would require additional funding. The impact will depend in part on travel expenses for the new members. These costs could be offset by the decrease in membership of other boards. As described below, the proposed Oversight Committee on Public Records will be reduced by three members and the Board of Trustees for the Indiana State Museum.

The commission may appoint administrative law judges. The commissioner may create a hearings division to assist in performing the functions of this section. The commission must also adopt rules to carry out the commission's duties. These provisions will increase expenses by an indeterminable amount. No fiscal impact would occur immediately if the existing Natural Resources Commission could assume the workload generated for administrative law judges.

**Historic Preservation and Archeology Division.** The bill establishes the Historic Preservation and Archeology Division within the department. The Division is a continuation of the Division of Historic Preservation and Archeology of the Department of Natural Resources (DNR). On Jan 1, 2004, all powers, duties, appropriations, fund balances, assets, and liabilities of the Division of Historic Preservation and Archeology of the Department of Natural resources are transferred to the Historic Preservation and Archeology Division of the Department of Indiana Heritage. To the extent that the new division replaces the existing division, there would be no fiscal impact.

**Indiana Department of Administration (IDOA)** must notify the division of a proposed transfer of real property owned by the state at the earliest planning stage and not later than 90 days before the date of the proposed transfer. The division must inspect the property and notify IDOA of the location of each historic site or historic structure on the property. Real property owned by the state may not be sold or transferred until the division has stated in writing that the property does not, to the best of the division's knowledge, contain a historic site or historic structure. If IDOA receives notice of a historic site or historic structure on the property, IDOA must reserve control of the appropriate historic property by means of a covenant or an easement contained in the transferring instrument. This provision would add additional legal expenses for IDOA when a historic property is sold. The impact would depend on the number of historic properties that are sold and the Commission on Public Records are transferred to the Public Records Division. The section of the Commission on Public Records relating to a Forms Management Program and the establishment of a distribution center for state government are transferred to the Department of Administration.

**Indiana State Museum Division** is a continuation of the current section of Museums of the Division of State Museums and Historic Sites under the Department of Natural Resources. On Jan 1, 2003 all powers, duties,

assets, appropriations, fund balances, and liabilities of the current section are transferred to the Department of Heritage.

**Oversight Committee on Public Records.** The bill changes the composition of the Oversight Committee on Public Records. Three membership positions are eliminated which would reduce costs.

**Board of Trustees for the Indiana State Museum.** The board of trustees for the **Indiana State Museum** Division is established. The trustees consist of 11 members as opposed to the existing 13 member board for the Division of State Museums and Historic Sites.

**Legislative Services Agency.** The Legislative Services Agency shall prepare legislation for introduction in the 2004 regular session of the General Assembly to organize and correct statutes affected by the transfer of responsibilities to the Department of Indiana Heritage. This can be done within existing resources.

**State Board of Accounts.** The State Board of Accounts must prescribe a form for recording the information pertaining to the removal of a grave memorial that must be filed with the county recorder. The form shall be available to the public at each local health department office. The SBA should be able to absorb any additional administrative expenses associated with this provision given its current budget.

**Explanation of State Revenues:** (Revised) This bill creates the Department of Indiana Heritage Fund as a dedicated funding source for the Department. The fund would contain appropriations made to the Department and its divisions; assets transferred; proceeds from the sale of department items or gifts donated to the Department, and the earnings on investments from the fund.

The fund includes the Historic Preservation and Archeology Account; the Historic Sites Account; the Historical Publications and Educational Account; and the Governor Portrait Account. Subject to the approval of the State Budget Agency, the Department may establish additional accounts or combine existing accounts.

Money remaining in the fund does not revert to the State General Fund at the end of the state fiscal year. Similar funds would also be established for divisions with the department: the Historic Preservation and Archeology Division Fund; the Historic Sites Fund; the Historical Publications and Educational Fund; the Indiana State Library Fund, and the Governor Portraits Fund. The income of the funds will depend on contributions.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Natural Resources; Commission on Public Records; Historical Bureau; State Library, Legislative Services Agency, State Board of Accounts, and all state agencies that own historic property.

**Local Agencies Affected:** All local political subdivisions.

**Information Sources:** Department of Natural Resources

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